



14 February 2012

Embargo: None

STATEMENT ON REGULATOR'S DECISION ON PORT AUTHORITY'S TARIFFS

Transnet has noted the Ports Regulator's decision to award the National Ports Authority a tariff adjustment of 2.76% for the 2012/13 period. The decision is a result of a comprehensive consultation process driven by the Regulator.

The decision translates into a real increase in cash flows after taking into account anticipated volume growth.

We recognise the Regulator's role in determining port tariffs and we believe this must be balanced by the need to invest in critical port infrastructure to boost South Africa's competitiveness. As such, Transnet recently increased its capital investment programme to R300 billion over the next seven years.

Transnet remains committed to rolling out its capital investment programme. Consequently, Transnet will be engaging the Ports Regulator, as part of the Regulator's consultation process with port stakeholders, on the development of a tariff methodology that supports our ability to invest in South Africa's logistics infrastructure.

We remain firmly committed to regular engagement with the Regulator and await the Regulator's record of decision.